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Daily Report – Romania

Date: 15.02.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,258.97	↑ 1.12	↑ 2.37
BET-TR	11,108.30	↑ 1.14	↑ 2.39
BET-FI	41,595.55	↑ 0.42	↑ 1.91
BET-XT	780.91	↑ 0.81	↑ 2.26
SNG	35.00	↑ 2.94	↑ 6.06
TLV	2.33	↑ 1.09	↑ 2.88
EL	11.84	↓ -0.34	↓ -0.50
FP	0.92	↑ 2.91	↑ 2.68
BRD	13.50	↓ -0.59	↑ 1.20

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.06	↑ 4.5	↑ 28.5
12 month	2.35	↑ 2.0	↑ 22.0
3 year	3.49	↑ 2.0	↑ 2.5
5 year	3.99	↑ 2.5	↑ 4.5
10 year	4.59	↑ 6.0	↑ 5.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	RON 500 mn	RON 500 mn
Monday	13.6Y	RON 100 mn	RON 100 mn
Thursday	5.4Y	RON 400 mn	RON 0 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.33	→ 0.0	↓ -2.0
3M ROBOR	2.07	↑ 1.0	↑ 4.0
6M ROBOR	2.38	↑ 1.0	↑ 5.0
1Y ROBOR	2.48	→ 0.0	↑ 7.0
5Y CDS	77.42	↓ -0.1	↓ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6633	↑ 0.06	↑ 0.17
USD/RON	3.7289	↓ -0.39	↓ -1.88
CHF/RON	4.0443	↑ 0.33	↓ -0.36
100HUF/RON	0.0150	↑ 0.33	↑ 0.32

Sources: Reuters, OTP Research

Summary

- In January, new car sales skyrocketed (+66.4%).
- The EUR/RON inched slightly higher.
- Thursday's bond auction failed.
- Bucharest's stocks finished in the green zone.

In January, the number of new passenger car registrations skyrocketed, posting 66.4% YoY growth, a report of the ACEA (European Automobile Manufacturers Association) revealed. This sharp pick-up came after a very disappointing, 25.3% fall in the last month of 2017. We do not rule out that some unusual seasonal pattern also contributed to the rebound. Nonetheless, we think that cheering data for January also suggest that December's drop was rather transitory, despite the rapidly weakening consumer confidence. We recall that in the first month of 2018, Romania's consumer confidence indicator hit the lowest level since October 2014, after higher borrowing costs, weaker leu and uncertainties coming from the transfer of social contributions from employers to employees took toll on moral. Our in-house seasonally adjusted data also pointed to an impressive 13.5% month-over-month gain.

Yesterday Romania's leu weakened around 0.1%, lifting the EUR/RON slightly above 4.66, probably as political noise weighed on the cross. At the same time, Poland's zloty was broadly unchanged, while the Hungarian forint and the Czech koruna firmed against the common European currency.

Thursday's 5Y government bond auction was unsuccessful, with the Ministry of Finance rejecting all bids as dealers subscribed for RON 277.4 mn, significantly lower than the offered amount (RON 400 mn). Simultaneously, government securities' yields shifted 2-6 bps higher.

The ROBOR 3M, the key benchmark for loans with variable interest rates, rose marginally, to 2.07%. We recall that the February meeting of the NBR lifted the monetary [policy rate](#) by 25 bps to 2.25%. However, as there is a significant excess liquidity on the market, ROBOR rates tend to align very slowly with the policy rate.

Buoyant global trading sentiment as well as company specific news helped the BET to register 1.1% gain yesterday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
12-Feb	Monday	December	Industrial production (YoY%)	7.9	9.2	
		December	Turnover of market serv. provided to the population (YoY%)	20.1	18.3	
13-Feb	Tuesday	December	CA balance (EUR mn, YTD)	-6,464	-5,581	
14-Feb	Wednesday	Q3 2017	Flash GDP growth rate (YoY%)	6.9	7.0	8.8
		January	Consumer price index (YoY%)	4.3	4.1	3.3
		December	Turnover of market serv. rendered mainly to enterp. (YoY%)	9.1		13.0
		December	Wholesale turnover index (YoY%)	6.8		7.7
		December	Construction works (YoY%)	8.0		-5.9
15-Feb	Thursday	January	New passenger car registrations (YoY%)	66.4	-25.3	
16-Feb	Friday		no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		14-Feb-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.4855	↓	-1.16	↑	3.67	↑ 18.37
OTP Obligatiuni	RON	14.9937	↑	0.18	↑	0.30	↑ 1.93
OTP ComodisRO	RON	17.3727	↑	0.24	↑	0.31	↑ 1.44
OTP Euro Bond	EUR	12.8088	↓	-0.18	↓	-0.21	↑ 1.06
OTP Dollar Bond	USD	11.0239	↓	-0.01	↑	0.01	↑ 1.36
OTP Premium Return	RON	11.8287	↓	-0.74	↓	-0.16	↑ 4.43
OTP Euro Premium Return	EUR	9.7703	↓	-3.26	↓	-2.42	↓ -2.64
OTP Global Mix	RON	11.6915	↓	-1.19	↑	0.16	↑ 6.79

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